

Message Text

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FM SECSTATE WASHDC

TO ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS

AMCONSUL NAHA

AMEMBASSY MOSCOW

INFO CINCPAC

COGARD

GOV GUAM

TREASURY

XMT AMEMBASSY SUVA

AMEMBASSY RANGOON

UNCLAS STATE 204188

E.O. 11652: N/A

TAGS:PFOR, XC, US

SUBJECT: AUGUST 27 EA PRESS SUMMARY

1. JAPAN

REP ZABLOCKI (WIS) HEADS US DELEGATION OF OCEAN EXPERTS,
LEGISLATORS IN THREE-DAY TALKS STARTING TOKYO WEDNESDAY .
TO DISCUSS PROBLEMS OF SEA, INCLUDING FOOD SUPPLIES,
NATL BOUNDARIES AND POLLUTION (UPI WP, PHINQ).

GOJ DECIDES ASK LIBYA EXTRADITE 10 JAPANESE RED ARMY
TERRORISTS WHO FLEW TO TRIPOLI AUG 7 ON COMMANDEERED
JAL PLANE AFTER HOLDING 50 PERSONS HOSTAGE THREE DAYS
AT AMCONSULATE KL (WP).
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SPECULATORS FORCED BANK OF JAPAN TO SOP UP NEARLY
250 MILLION DOLS WORTH YEN IN FOREX MARKET LAST WEEK,
AND ANOTHER 250 MILLION DOLS WORTH MONDAY, TUESDAY
THIS WEEK TO KEEP DOLLAR FROM TOPPING 298 YEN RATE.

ANALYSTS ATTRIBUTE PRESSURE AGAINST YEN TO SLUGGISH PACE OF JAPANESE ECONOMY AT TIME US BUSINESS SEEMS ON REBOUND (WSJ ROUNDUP).

SENKO STEAMSHIP CO SAID WEDNESDAY FIRM AGREED FORM JOINT VENTURE WITH SAUDI INTERESTS, CALLED SABIHA

SHIPPING CORP, CAPITALIZED AT 10 MILLION DOLS, HEADQUARTERED AT JIDDA. SAUDI INVESTORS OWN 60 PERCENT, INCLUDE PRINCE FAHD IBN SALMAN, 14 IMPORTERS. SABIHA PLANS OWN, OPERATE OIL TANKERS, FREIGHTERS, BULK CARRIERS, BUT INITIALLY WILL CHARTER FOREIGN FLAG SHIPS (WSJ, TOKYO).

ALL PAPERS GIVE HEAVY COVERAGE TO KOHJIN BANKRUPTCY, BIGGEST IN POSTWAR PERIOD.

AUTHORITIES SEEK PREVENT "CHAIN REACTION" AS BANK OF JAPAN GOVERNOR MORINAGA DELAYS DEPARTURE FOR IMF MEETING WASHINGTON (AP NYDN, WP). FIRM FOUNDED 1937, DIVERSIFIED INTO TEXTILES, PHARMACEUTICALS, HOUSING, PAPER PULP; LIABILITIES ESTIMATED AT 670 MILLION DOLS, IF DEBTS OF 38 AFFILIATES INCLUDED (AP, SUN).

LAT'S JAMESON ALSO IN (PHINQ, GLOBE) SAYS COLLAPSE OF CONGLOMERATE RANKED IN TOP 500 FIRMS DUE IN PART TO PURCHASE OF LARGE TRACTS FOR HOUSING DEVELOPMENT DURING 1972-73, WILD LAND SPECULATION, FOLLOWED BY OIL CRISIS AND LEVELLING OFF OF LAND PRICES IN WAKE OF GOJ TIGHT MONEY POLICY, NEW LAND TAXES.

CULLISON (JOC) NOTES KOHJIN'S LEADING BANK CREDITORS, MITSUI TRUST, MITSUBISHI TRUST, DAIICHI KANGYO, TOLD PRESS AFTER MEETING TUESDAY THEY INTEND CONSULT MOF, BOJ ON WHETHER PROVIDE "FINANCIAL SHELTER" UNDER LAW. BUT LIKELIHOOD OF BANKRUPTCY SENDING CHILLS THROUGH UNCLASSIFIED

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THOUSANDS SIMILARLY THREATENED FIRMS THROUGHOUT JAPAN.

HALLORAN (NYT) SAYS KOHJIN BORROWED LARGELY TO EXPAND, DIVERSIFY. NOTES FIRM BOUGHT LAND AT PEAK PRICES DURING BOOM INDUCED BY TANAKA PLAN TO REMODEL JAPAN, WHICH NEVER CARRIED OUT. ADDS FIRM INVESTED HEAVILY IN FIRE-RESISTENT SYNTHETIC FIBER (CORDELAN) THAT SOLD WELL IN US UNTIL RECENT RECESSION.

FOWLER MARTIN (WSJ) IN TOKYO SAYS KOHJIN HIT BY DEPRESSED LAND MARKET IN JAPAN, SLACK US DEMAND FOR TEXTILES.

CHITRIB'S YATES CITES EXPERTS WHO PREDICT JAPAN'S

ONCE INDOMITABLE ECONOMY SHOWING SIGNS OF ENTERING WORST CRISIS IN POST-WAR HISTORY. NOTES KOHJIN BANKRUPTCY BROUGHT PROMPT RESPONSE FROM LDP SEC GEN NAKASONE, WHO TOLD PRESS GOJ/LDP WOULD "GO ALL OUT" NEXT MONTH TO STIMULATE ECONOMY. STATES BOJ ACCUSED OF PERPETUATING SLUMP WITH ANTI-INFLATIONARY, TIGHT-MONEY POLICIES. CITES BANKER WARNING WHAT HAPPENED TO KOHJIN "IS GOING TO HAPPEN TO MANY OTHER FIRMS IN THE NEAR FUTURE," BECAUSE TIGHT-MONEY POLICY FORCING CREDITORS TRY COLLECT OUTSTANDING HEAVY DEBTS.

2. INDOCHINA

CHARGE CORCORAN MADE FIRST OFFICIAL VISIT TO MEMBER OF LAOTIAN GOVT TUESDAY, SPENT 20 MINUTES WITH PL MEMBER, ACTING FONMIN PHOUNE S3PRASEUTH (AP NYT, PHINQ; UPI, JOC). NEW REV COMMITTEES ASSUME ADMIN VIENTIANE PROV, CITY FOLLOWING PL TAKEOVER (WP); SAY HOPE NORMALIZE SITUATION IN CAPITAL, GUARANTEE DEMOCRATIC LIBERTIES, WARN TROUBLE-MAKERS WILL BE PUNISHED. ADD KING'S, SOUVANNA'S POSITIONS WILL BE RESPECTED. PLAN MOBILIZE VIENTIANE'S POPULATION FOR PRODUCTIVE WORK, NATIONALIZE PROPERTY "ULTRAREACTIONARIES" WHO FLED -- THOUGH EXILES' PROPERTY WILL BE HELD FOR THEM IF THEY WANT RETURN, RECOGNIZE ERRORS. PROGRAM CALLS FOR CHANGES IN EDUCATION, ENCOURAGES ACTIVITIES OF "NATIONAL AND PROGRESSIVE" CHARACTER, PROMISES WIPE OUT ALL TRACES UNCLASSIFIED

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"REACTIONARY CULTURE." ALSO SAYS INTENDS MAINTAIN GOOD RELS WITH THAILAND (AFP, NYT).

LAOS-THAILAND BORDER, CLOSED FOR 3 DAYS BY PL, REOPENS TO NORMAL TRAFFIC (WP), WITH FOODSTUFFS FROM THAILAND REPLENISHING VIENTIANE'S EMPTY MARKETS, EMPLOYEES OF FOREIGN EMBASSIES ABLE CROSS MEKONG TO WORK. THAI OFFICIALS SAY ONLY THOSE WITH PASSES ISSUED BY PL ABLE MOVE BACK AND FORTH ACROSS RIVER (UPI, JOC).

SVN EXPELS UPI'S ALAN DAWSON, 2 JAPANESE REPORTERS, LEAVING ONLY 7 KNOWN FOREIGN NEWSMEN IN SAIGON (WSJ; GLOBE); 3 JAPANESE, 2 FRENCH, 1 AMCI, 1 BRITON (UPI, NYT). GOVT OFFICIALS MADE IT CLEAR ALL NEWSMEN ASSIGNED SAIGON BEFORE APR 30 TAKEOVER WILL BE ASKED LEAVE EVENTUALLY (WP; UPI, NYT). FONMIN OFFICIAL TOLD DAWSON UPI WOULD BE PERMITTED REMAIN OPEN USING BUREAU'S VIET NEWSMEN (UPI, NYT).

CSM'S SOUTHERLAND IN HK QUOTES WESTERNERS WHO JUST LEFT THAT SAIGON REMAINS IN MANY WAYS UNCHANGED, WITH DRESS OF SOME GIRLS SHOCKING NVIETS, BLACK MARKET BOOSTED WITH GOODS LOOTED FROM US RESIDENCES, MATERIALISM

RAMPANT, RUMORS ABOUNDING, ROBBERIES STILL COMMON.
NEW RULERS BELIEVE CITY NOT BEYOND REDEMPTION, BUT
TRANSFORMATION MUST BE CARRIED OUT GRADUALLY.

SIHANOUK APPEARS HEADED HOME, WILL FIND HOMELAND CHANGED
WITH FOOD SHORTAGES, FORCED LABOR, UNYIELDING DISCIPLINE
UNDER KR RULE. SOME SIGNS PRINCE STILL DOES NOT GET
ALONG WITH NEW REGIME DESPITE FIGUREHEAD ROLE (UPI,
NYDN). CSM'S MUNRO AT PEKING NOTES KR SEEM TO HAVE
CONFIRMED SIHANOUK WILL BE RESTRICTED TO MINOR ROLE
IN CAMBODIAN AFFAIRS. INDICATIONS ARE WILL NOT SPEND
MUCH TIME IN CAMBODIA, NOT BE CENTRAL IN COUNTRY'S
DIPLOMACY, NOT BE AS READILY AVAILABLE TO PRESS AS
BEFORE. IDEOLOGICAL DIFFERENCES, MERCURIAL PERSONALITY,
CAUSE TREMENDOUS GULF WITH KR. PRINCE'S OFFICE SAYS
WILL ADDRESS UNGA THIS FALL, WILL BE IN NYC ONLY FEW
HOURS, NOT GIVE INTERVIEWS. NEXT COMES HANOI STOP
FOR DRV FOUNDING ANNIVERSARY, THEN PEKING SOJOURN FOR
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OCT 1 CELEBRATION, WITH RETURN PYONGYANG FOR OCT 10
ANNIVERSARY KOREAN WORKERS' PARTY. REUTER (PEKING)
REPORTS DIPLOMATS DOUBT PRINCE WILL RETURN CAMBODIA
BEFORE 2ND WK IN SEPT; GIVEN TRAVEL SCHEDULE, DOUBTFUL
HE WILL SPEND MORE THAN 2-3 WKS IN CAMBODIA THIS YR.
MUNRO OPINES SIHANOUK MAY END UP SPENDING MUCH TIME
IN PEKING, SINCE CHINESE APPARENTLY PREPARING NEW
RESIDENCE FOR HIM.

3. INDOCHINA REFUGEES

US FLEW 180 VIET, 160 KHMER REFUGEES TO CHAFFEE TUESDAY
NIGHT, BRINGS TOTAL SENT TO US FROM THAILAND TO OVER
5900 (REUTER BANGKOK). TIN CITY REFUGEE BASE NEAR
ANDERSON AFB ON GUAM CLOSES AFTER 4 MOS OPERATION
(AP, NYT). FLA MAN SAYS WILL SPONSOR 300 EGLIN REFUGEES,
GIVE SOME JOBS AS CREWMEN ON FISHING BOATS HIS COMPANY
OWNS, PLACE OTHERS WITH GULF COAST FISHING FIRMS (AP,
CSM).

4. NAC CONFERENCE

NVN, NK, PANAMA AND PLO JOINED NON-ALIGNED COUNTRIES'
ORGANIZATION TUESDAY IN LIMA, SWELLING ITS RANKS TO
82 FULL MEMBERS AND ADDING TO GREAT MAJORITY OPENLY
HOSTILE TO US (UPI, NYDN; AP, SUN; NYT'S HOFMANN).
FOREIGN MINISTERS CONFERENCE OF GROUP REJECTED SK
BID FOR FULL MEMBERSHIP AND DOWNGRADED PHILIPPINES,
WHICH WANTED FORMAL OBSERVER STATUS, TO GUEST STATUS.
CONFERENCE PRES REPORTS THERE WAS STRONG OPPOSITION
TO NK ADMISSION, BUT OTHER NEW MEMBERS ADMITTED
UNANIMOUSLY.

5. AUSTRALIA/NZ

REUTER (SYDNEY) REPORTS WHILE STRIKES, INDUSTRIAL TROUBLES AND EFFECT ON ECONOMY RECEIVE CONSTANT ATTENTION FROM ALL SECTIONS AUSSIE COMMUNITY, WORK ABSENTEEISM -- "THE UBIQUITOUS 'SICKIE'"-- IS VIRTUALLY IGNORED; SEEN COSTING ECONOMY 1.6 BILLION DOLS YEARLY (CHITRIB).
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NZ SOCIETY OF ACCOUNTANTS PRES SAYS IF ACCOUNTANTS AND BUSINESSMEN CAN GAIN TOTAL AGREEMENT ON FORM OF INFLATION ACCOUNTING, GOVT MIGHT AGREE TO CHANGES IN METHODS OF ASSESSING TAXATION (JOC).

6. KOREA

SEN JAVITS JUST BACK FROM PEKING TOLD PRESS IN WASHINGTON TUESDAY BELIEVES PRC "TOO PREOCCUPIED WITH ECONOMIC DEVELOPMENT" TO PROMOTE CONFLICT IN KOREA. ADDED "OF COURSE, KIM IL-SUNG COULD GET THEM INTO A CONFLICT," BUT STRESSED CHINESE NOT GOING TO PROMOTE IT (UPI, NYDN).

JOINT PRESS STATEMENT ISSUED AFTER FIRST SESSION SCM IN SEOUL TUESDAY SAID SECDEF, MINDEF DISCUSSED EFFECTIVE LOGISTIC SUPPORT OF ROK FORCES "IN TIME OF EMERGENCY," DEVELOPMENT OF ROK DEFENSE INDUSTRY. ALSO SAID MINDEF TOLD SECDEF ABOUT NK INVASION THREATS, INCESSANT MILITARY BUILDUP, DIGGING AT LEAST TWO INFILTRATION TUNNELS UNDER DMZ (AP, SUN). ROK SOURCES SAID JOINT COMMUNIQUE WILL POSSIBLY INCLUDE ADDITIONAL US GUARANTEES TO COPE WITH NK AGGRESSION (UPI, NYT).

NKCP ORGAN NODONG SINMUN REACTED TO SCM BY ASSAILING SECDEF AS "NOTORIOUS WAR MANIAC ACCUSTOMED TO BRANDISHING NUCLEAR WEAPONS" (PHINQ). CHARGED US PLANNING UNLEASH "ALL OUT WAR IN KOREA" (WP).

SAAR (WP) CITES SOURCES CLOSE TO SCM THAT SECDEF ASSURED ROK OFFICIALS ADMIN WOULD DO BEST TO HELP UPGRADE ROK MILITARY STRENGTH "SIGNIFICANTLY." SOURCES SAID SK DEFENSE EXPERTS TOLD SECDEF MODERNIZATION, EQUIPMENT OF ROK FORCES ESSENTIAL TO MEET POTENTIAL NK ATTACK, WHICH COULD COME "AS EARLY AS OCTOBER" -- NKCP 30TH ANNIVERSARY. NOTES AMERICAN SENSITIVITIES EMERGED WHEN US OFFICIAL OBJECTED TO INCLUSION IN JOINT COMMUNIQUE OF LANGUAGE "IN THE WAKE OF INDOCHINA," WHICH THEN DELETED.

SEN EAGLETON IN JAPAN ON 16-DAY WORLD TOUR SAYS US TROOP WITHDRAWAL FROM SK WOULD BE "SERIOUS MISTAKE."
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NORMALLY REGARDED AS "DOVE," EAGLETON ALSO TOLD PRESS
NON-COMMUNIST SK "VITAL TO INTERESTS OF DEMOCRATIC
JAPAN" (PHINQ).

ROK ECON ATTACHE IN BONN, SOON TAY KIM, RESIGNED, SAID
TUESDAY WANTS REMAIN IN WGERMANY BECAUSE FEARS "TORTURE
AND EVENTUAL DEATH" IF RETURNS TO SEOUL. EXPLAINED HE
RESIGNED TO PROTEST "MILITARY-BACKED TOTALITARIAN
DICTATORSHIP REGIME OF SEOUL" (WP). SAID HE INFORMED
MFA OF DECISION, BUT HAS NOT ASKED FRG FOR ASYLUM
(REUTER, BONN).

7. THAILAND

KING DONATES 20,000 ACRES FARMLAND TO GOVT FOR LAND-REFORM
USE TO HELP EASE PLIGHT 20 MILLION LANDLESS FARMERS IN
CENTRAL PLAIN (CSM).

THAI COMMUNIST INSURGENT LEADERSHIP REAFFIRMS
DETERMINATION VIOLENTLY OVERTHROW GOVT THAT REPLACED
MIL DICTATORSHIP (UPI, BANGKOK). BANGKOK FEARS NEW
VIOLENCE AS UNIV SHUTDOWN ENDS; CLOSING LASTED WK,
FOLLOWED STUDENT-POLICE CLASHES. FEW REPAIRS MADE TO
THAMMASAT U BLDGS WRECKED BY VOCATIONAL SCHOOL STUDENTS.
ACTING STUDENT GOVT PRES THREATENS RESIGN UNLESS MAJOR
CHANGES MADE IN RTG. SOME BELIEVE RIGHT-WING MIL,
POLICE INCITING VIOLENCE FOR EXCUSE OUST CIVILIAN GOVT
(ANDELMAN, NYT).

8. INDONESIA

BALI IN 1974 EXPORTED GOODS WORTH 7.5 MIL DOLS, EARNED
OVER 32 MIL DOLS FROM FOREIGN TOURISTS (AP, NYT).

9. TIMOR

REPORTS REACHING MACAO SAY 1000 REFUGEES STILL TRYING
LEAVE DILI, SHIP EARLIER REPORTED TO HAVE LEFT STILL
THERE BUT EXPECTED LEAVE FOR DARWIN TODAY WITH EVACUEES.
KILLING, BURNING REPORTED IN DILI. AT UN, PORTUGAL
PRESSED AUSTRALIA, INDONESIA FOR MIL ACTION TO SAVE
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REFUGEES, BUT THESE COUNTRIES MADE CLEAR CONSIDERED
IT PORTUGAL'S OBLIGATION RESTORE ORDER. AUSSIE PM
WHITLAM TELLS PARLIAMENT DETERMINED REFRAIN INTERVENING
(PHINQ), RULES OUT MIL, POL ROLE IN EFFORTS RESTORE
ORDER (NYT). SEC GEN WALDHEIM CALLS FOR C-F. ABOUT 300

TIMOR REFUGEES LEAVE DARWIN FOR PORTUGAL. WP'S MCDONALD IN JAKARTA SAYS INDONESIAN NAVAL FORCE ON WAY TIMOR IN RESPONSE PORTUGUESE REQUEST HELP EVACUATING REFUGEES. TIMOR GOV REPORTS PORT UNDER FIRE (REUTER, WP); SAYS CAN ONLY HOLD ON 1 DAY, ISSUES INTL APPEAL FOR MED WORKERS, EQUIPMENT (REUTER, NYT).

GOVT FLEES DILI FOR ATAURO, SMALL ISLAND OFF COAST. WHITLAM SAYS READY TRANSPORT PORTUGUESE PEACE MISSION TO ATAURO WITH ADVANCE PARTY ALREADY IN DARWIN; TELLS PARLIAMENT GOA TOOK POSITIVE STEPS FOR WKS TRYING SOLVE TIMOR PROBLEM, EXPECTS CONTRIBUTE TO FURTHER HUMANITARIAN EFFORTS THROUGH ICRC, CONSULTED ASEAN MEMBERS ON PROBLEM (REUTER, SUN). CSM'S GODSELL BELIEVES TIMOR VIOLENCE INVITED INDONESIAN INTERVENTION, AS AUSTRALIA ADOPTS HANDS-OFF POLICY.

10. CHINA

NCNA REPORTS CHOU EN-LAI MET SIHANOUK TUESDAY IN PEKING HOSPITAL (AP, PHINQ; WP).

LINDE DIVISION TVT IN MUNICH HAS RECEIVED ORDER FOR DELIVERY OF BENZENE PLANT TO PRC. CONTRACT WITH CHINA NATIONAL TECHNICAL IMPORT CORP INCLUDES ALL SERVICES FOR PLANNING, PROCESS AND ENGINEERING DESIGN OF PLANT AND PROCUREMENT OF PRINCIPAL EQUIPMENT PARTS (JOC).

UPI (HK) REPORTS THAT BUILDING STRONG, EFFECTIVE "CHINA LOBBY" IN JAPAN IS ONE OF PEKING'S TOP PRIORITY PROGRAMS, WITH CAMPAIGN CENTERED ON INDIVIDUALS, GROUPS AND ORGANIZATIONS ALREADY CONSIDERED PRC FRIENDS, SUPPLEMENTED BY INTENSIVE EFFORTS TO WIN FRIENDS, INFLUENCE PEOPLE, IN NEUTRAL UNCLASSIFIED

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OR NOT-SO-FRIENDLY STATIONS. CAMPAIGN CAN BE MEASURED AS SUCCESS SO FAR. ON ALMOST ANY GIVEN DAY, CLOSE TO DOZEN DIFFERENT JAPANESE DELEGATIONS IN PRC, IN ADDITION TO SCORES OF JAPANESE INDIVIDUALS ON VARIETY OF MISSIONS. FLOW OF CHINESE IN JAPAN AT LOWER LEVEL, BUT IMPRESSIVE COMPARED TO NUMBER CHINESE VISITING OTHER COUNTRIES. JAPANESE DIPLOMATS SAY PEKING PRESSING FOR "SISTER CITY" RELATIONSHIP BETWEEN CITIES OF THEIR COUNTRIES. PRC MOTIVE SEEN ATTEMPT COUNTER SOVIET INFLUENCE, TRY PREVENT ANY SOVIET-JAPANESE ARRANGEMENTS DETRIMENTAL TO PEKING (JOC).

PEOPLE'S DAILY 8/27 ARTICLE SAYS SOVIET NOW HAS LARGER GUIDED MISSILES STOCKPILES, GREATER NUKE FIREPOWER, THAN US; ALSO SAYS SOVIET HAS OVERWHELMING

CONVENTIONAL WEAPONS SUPREMACY AND IS LAUNCHING TWO NUKE-POWERED SUBS MONTHLY. ARTICLE WARNS WEST EUROPE THAT SOVIET IS PREPARING FOR WAR UNDER DETENTE CAMOUFLAGE (REUTER, PEKING).

NYT'S BUTTERFIELD, IN HK, OBSERVES PRC, EVIDENTLY TRYING HARD TO CATCH UP WITH TAIWAN'S BASEBALL SUCCESS IN RECENT YEARS, IS BUILDING MAJOR-LEAGUE-SIZE BASEBALL STADIUM ON PEKING OUTSKIRTS; NOTES CHINESE TEAMS HAVE PLAYED SERIES WITH TWO VISITING JAPANESE SQUADS IN LAST FEW DAYS, WITH PHYSICAL CULTURE/SPORTS MINISTER CHUANG AND JAPANESE ENVOY TO PEKING IN ATTENDANCE -- INDICATING APPARENT IMPORTANCE CHINESE ATTACH TO BASEBALL.

11. MALAYSIA

WIDE COVERAGE GIVEN UPI PHOTO OF SHATTERED FIGURES FROM KL NATIONAL MONUMENT, DESIGNED BY US SCULPTOR FELIX DEWELDON, FOLLOWING TUESDAY BOMBING (GLOBE, SUN, WP, PHINQ).

MALAYSIA NATIONAL FLAG LINE AND SHIPPING FIRM OWNED BY TWO NK INDEPENDENT SHIPOWNERS FORM JOINT SHIPPING VENTURE TO BE CALLED MISC-PANOCEAN TANKERS SDN (JOC)

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12. PHILIPPINES

TOURING CUBA, IMELDA MARCOS SAYS SHE CAME "TO SEE WITH MY OWN EYES THE ACHIEVEMENTS OF THE CUBAN REVOLUTION. WE HAVE HEARD SO MUCH ABOUT THEM THAT MY HUSBAND HAS SENT ME TO STUDY THEM" (PHINQ).

TATAD SAYS PRESS REPORTS ON NATIONAL SECURITY MATTERS WILL BE "ON OCCASION SUBJECT TO CONSTRAINTS" -- SECRET DOCUMENTS, STATISTICS ON GOP DEFENSE PREPAREDNESS, IMPORTANT NEGOTIATIONS AND INFO ABOUT TROOP MOVEMENTS WHICH CAN BE REPORTED ONLY UPON GOP "EXPRESS CLEARANCE" (AP, GLOBE).

COMMENT AND ANALYSIS

13. JAPAN

JAMESON (LAT) IN SPECIAL FEATURE "SMALL AUTOS - A NEW WORLD AND LIFE STYLE" (8/24) STATES JAPANESE AUTOMAKERS HAVE ENJOYED "DREAM COME TRUE" IN US MARKET SINCE 1973 OIL CRISIS CREATED DEMAND FOR ECONOMICAL CAR WITH GOOD GAS MILEAGE. BUT DREAM EXPECTED "END QUICKLY" NOW THAT FORD, GM BEGIN MAKING 40-MPG CARS. CITES TOYOTA,

NISSAN SPOKESMEN WHO BELIEVE "BEST THEY CAN HOPE FOR" NEXT YEAR OR TWO IS HANG ON TO CURRENT MARKET SHARES. NOTES JAPANESE CAR MAKERS FEEL COMPETITIVE POSITION ALREADY LOST BECAUSE OF PAST PRICE HIKES; NOW FACE FURTHER STEEL PRICE INCREASES, AND UPWARD TREND THAT WILL WIPE OUT REMAINING WAGE ADVANTAGE IN FIVE YEARS.

PIERRE BRISARD (AFP, IN LAT 8/25) SAYS JAPAN PREPARING TO BANK ON EDP FOR NEXT TECHNOLOGICAL LEAP FORWARD. SECOND LARGEST EDP INDUSTRY IN WORLD NOW UNDERGOING RADICAL OVERHAUL UNDER MITI AUSPICES, TO REORGANIZE FIRMS INTO TWO LARGE GROUPS, WHICH IN DUE COURSE SAYS MIGHT FORM SINGLE LARGE CORPORATION CAPABLE OF MEETING IBM "EYEBALL TO EYEBALL".

CHRISTY FOX (LAT 8/24) IN TOKYO INTERVIEWS FUSAE ICHIKAWA, ONE OF FEW WOMEN IN DIET, WHO POLLED UNCLASSIFIED

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LANDSLIDE 2 MILLION VOTES LAST YEAR TO WIN UPPER HOUSE SEAT IN NATIONAL CONSTITUENCY. STANDS FOR CLEAN GOVT, DRAWS SUPPORT MOSTLY FROM AGE-GROUPS YOUNG ENOUGH TO BE HER GRANDCHILDREN. ALSO INTERVIEWS ONLY WOMAN PROFESSOR AT TOKYO U, CULTURAL ANTHROPOLOGIST CHIE NAKANE, AND MRS. HIROSHI ANZAI, WIFE OF TOKYO GAS CO PRESIDENT.

RUSSEL (NYT 8/24) REVIEWS ART COLLECTION SOLD TO METROPOLITAN MUSEUM BY HARRY PACKARD, THAT WILL RAISE ITS JAPANESE HOLDINGS TO "AMONG FINEST OF ANY AMERICAN MUSEUM." NOTES 5.1 MILLION DOL PURCHASE PRICE WILL BE PAID TO CHARITABLE TRUST -- METROPOLITAN CENTER FOR STUDY OF JAPANESE ART, SET UP BY PACKARD IN TOKYO. SUN (8/26) SAYS PACKARD COLLECTION TO GO ON DISPLAY 1976.

GEORGE DOIZAKI (PRES, JAPAN-AMERICA CULTURAL CENTER) WRITES LAT (8/23) TO REBUT ARTICLE CRITICIZING PM MIKI FOR NOT VISITING LITTLE TOKYO, BASED ON PRESS RELEASE BY AD HOC GROUP OF 10 SO-CALLED "LEADERS." STATES PREMIER DEEPLY INTERESTED IN FUTURE OF COMMUNITY, MET OFFICERS OF J-A CULTURAL COMPLEX AS PART OF LITTLE TOKYO REDEVELOPMENT PLAN, AND IN FACT PROMISED HELP RAISE 3 MILLION DOLS FOR IT FROM PRIVATE SOURCES IN JAPAN.

14. INDOCHINA

CSM (8/26) DRAWS PARALLEL BETWEEN US PAST ACTIONS IN VN, PRESENT MOVES IN ME. POINTS OUT IN VN US AIDED 1 SIDE IN DEFIANCE OF OTHER, MIL ADVISERS SENT WITHOUT FULL CONGRESSIONAL APPROVAL, COMMITMENT TO SVN CONTINUED

AND GREW. POINTS OUT SIMILAR STEPS BEING TAKEN IN ME,
BUT IT IS NOT VN; HOPES US CAN FOSTER PEACE THERE.

15. CHINA

CSM FINDS REPORTS OF HANGCHOW LABOR UNREST INDICATING
PRC IS FAR FROM TRANQUILIZED AND CHINESE MASSES FAR
FROM FULLY INDOCTRINATED. REASSURING FOR WEST THAT
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CHINESE WORKERS SHOWING THEMSELVES LITTLE DIFFERENT
FROM COUNTERPARTS ANYWHERE IN WORLD -- LEFT TO THEMSELVES
THEY DESIRE EARN MORE, LIVE BETTER, WITH LEAST
POSSIBLE GOVT INTERFERENCE IN THEIR LIVES; NOR ARE THEY
SO DEDICATED TO MAOISM AS TO ESCHEW STRIKES, WORK
SLOWDOWNS AND ABSENTEEISM (IN USIA WIRELESS FILE).

SULZBERGER (NYT) SEES US, PRC AND SOVIET ALL INVOLVED
IN POLITICS OF FOOD; WHILE SOVIET NEEDS BUY GRAIN
HEAVILY OVERSEAS, THERE HAS BEEN SLOWDOWN IN CHINESE
AGRIC GROWTH RATE, BUT US EXPECTS BUMPER HARVEST.
MOSCOW EXPENDS HARD CURRENCY ON FOOD IMPORTS AND
PEKING CUTS DEFENSE OUTLAYS, WHILE US CAN FACE PROBLEMS
POSED BY ECON HARD TIMES AND FOREIGN OBLIGATIONS WITH
SOME SENSE OF SECURITY ON FARM FRONT. SUGGESTS THAT
LOOKED AT FROM THESE THREE VANTAGE POINTS, THIS BASIC
FACT HAS IMPORTANT IMPLICATIONS IN TERMS OF GLOBAL
AFFAIRS (IN USIA WIRELESS FILE).

NYT'S WREN, IN MOSCOW, SEES LATEST SOVIET ATTACK ON
PEKING, IN 10,000-WORD KOMMUNIST EDITORIAL MARKING
NEW STAGE IN MOSCOW'S EFFORTS TO DISCREDIT MAO'S
POLICIES WITHIN COMMUNIST MOVEMENT. SAYS BY CONCEDING
SPLIT EXISTS WITHIN COMMUNIST MOVEMENT RANKS, JOURNAL
DISCLOSED FRESH ANXIETY ON SOVIET PART THAT PRC PROBLEM
BE RESOLVED.

16. GENERAL

REUTER'S GRANVILLE WATTS, IN SINGAPORE (8/26), FINDS
DRAIN OF PROFESSIONAL/SKILLED WORKERS OVERSEAS IS
PLAGUING ASIAN COUNTRIES -- ESPECIALLY INDONESIA,
WHERE GOI IS TAKING STRICT ACTION TO PREVENT IT.
JAKARTA HAS THREATENED REVOCATION PASSPORTS OF
INDONESIAN STUDENTS STUDYING ABROAD, MAINLY IN FRG
AND HOLLAND, IF THEY TRY REMAIN AWAY; ABOUT 100
PASSPORTS ALREADY WITHDRAWN. IN PHILIPPINES, DEPARTURE
OF DOCTORS HAS BEEN CAUSING ALARM -- OF 23,000 AVAILABLE
LAST YEAR, NEARLY HALF WENT ABROAD. IN MALAYSIA,
OVERSEAS MOVEMENT MAINLY INVOLVES ETHNIC CHINESE
DOCTORS, ARCHITECTS, ENGINEERS, MANY OF WHOM HAVE
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EMIGRATED TO AUSTRALIA, CANADA BECAUSE THEY FEEL
UNCERTAIN OF FUTURE IN MULTI-RACIAL STATE. ROC HAS
VIRTUALLY HALTED PROFESSIONALS' DEPARTURE. WHEREAS
10 YEARS AGO, ONLY ONE IN 10 ROC STUDENTS RETURNED
AFTER GRADUATION, NOW NEARLY ONE-THIRD RETURN HOME TO
JOBS. ROC CLAIMS REASONS ARE REDUCED JOB OPPORTUNITIES
OVERSEAS, PARTICULARLY IN US, AND INCREASE IN NUMBER
AND SIZE OF TAIWAN RESEARCH INSTITUTES.

ROWAN (WSTAR 8/24) CONCLUDES FROM TALK WITH LEE KUAN
YEW, OTHERS, THERE IS NOTION ABROAD THAT US IS ON
DECLINE AS GREAT POWER. AMONG REASONS FOR BELIEF:
INDOCHINA DEBACLE, PLUS HEAD-LONG THAI, PHILS' MALAYSIAN
RUSH TO MAKE PEACE WITH PEKING, "ARE SEEN AS A 'FAILURE
OF US FOREIGN POLICY' FROM WHICH WE MAY NOT RECOVER."
INGERSOLL

UNCLASSIFIED

<< END OF DOCUMENT >>

Message Attributes

Automatic Decaptioning: X
Capture Date: 26 AUG 1999
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: EA PRESS SUMMARY
Control Number: n/a
Copy: SINGLE
Draft Date: 27 AUG 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: EA/P:MSMITH:PP
Enclosure: n/a
Executive Order: N/A
Errors: n/a
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From: STATE
Handling Restrictions: n/a
Image Path:
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Office: ORIGIN EA
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 11
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: ellisoob
Review Comment: n/a
Review Content Flags:
Review Date: 16 SEP 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 Sep 2003 by MorefiRH>; APPROVED <07 JAN 2004 by ellisoob>
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EO Systematic Review
06 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: <DBA CORRECTED> gwr 971008
Subject: n/a
TAGS: PFOR, US, XC, PFOR
To: ALL EAST ASIAN AND PACIFIC DIPLOMATIC POSTS
NAHA
MOSCOW INFO CINCPAC
COGARD
GOV GUAM
TREASURY

XMT SUVA
RANGOON

Type: TE

Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 06 JUL 2006